

UNIFIED SCHOOL DISTRICT NO. 462

Burden, Kansas

Financial Statements  
and  
Supplemental Information  
with

Report of Independent Auditors

For the Year Ended June 30, 2010

Unified School District No. 462  
Burden, Kansas  
Special Financial Statements  
For the Fiscal Year Ended June 30, 2010

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Unified School District No. 462  
Burden, Kansas  
Special Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**S & B**

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 462  
Burden, Kansas

We have audited the accompanying statutory basis financial statements of Unified School District No. 462 Burden, Kansas, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 462's, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, Unified School District No. 462, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The differences between this regulatory basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 1.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 462 as of June 30, 2010, or changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District No. 462, as of June 30, 2010, and the revenues it received and expenditures it paid for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2011, on our consideration of Unified School District No. 462's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 462's statutory basis financial statements. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the statutory basis financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part Unified School District No. 462's statutory basis financial statements. This

supplemental information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements, and, in our opinion, is fairly stated, in all material respects in relation to the statutory basis financial statements taken as a whole, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Unified School District No. 462, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

*Schlatterbeck and Burns, L.L.C.*

February 28, 2011

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Unified School District No. 462  
Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended June 30, 2010

Statement 1

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General	\$	2,739,472	2,739,471	1	802	803
Supplemental General	48,049	849,919	897,738	230	28,996	29,226
Special Revenue:						
At Risk (K-12)	39	239,116	239,116	39	9,335	9,374
Capital Outlay	291,077	92,140	146,379	236,838		236,838
Driver Training	18,291	2,250	4,785	15,756	2	15,758
Food Service	30,379	192,946	192,946	30,379		30,379
Professional Development	11,200	3,387	9,387	5,200		5,200
Special Education	104,190	385,889	384,871	105,208		105,208
Vocational Education	95,843	156,502	174,248	78,097	1,399	79,496
Gifts and Grants	15,589	2,526	5,198	12,917		12,917
KPERS Special Retirement Contribution		73,741	152,613	( 78,872 )	78,872	
Contingency Reserve	40,000			40,000		40,000
Textbook & Student Material Revolving	1,532	13,680	12,979	2,233		2,233
Recreation Commission	2,246	23,040	20,000	5,286		5,286
Technology Literacy Challenge (Title II-D)		2,064	2,059	5		5
Rural Education Achievement Program		44,182	44,182		19,277	19,277
Special Mini-Grants	7,801	2,306	3,203	6,904		6,904
Low Income ESEA (Title I)	458	97,414	88,528	9,344		9,344
Improving Teacher Quality (Title II-A)	6,206	21,839	28,996	( 951 )	217	( 734 )
Drug-Free Schools (Title IV-A)		1,312	1,312			
Gate Receipts	2,143	42,418	40,344	4,217		4,217
Special Projects	3,068	10,626	9,746	3,948		3,948
Debt Service:						
Bond and Interest	164,578	297,466	311,985	150,059		150,059
Total Primary Government (1)	<u>842,689</u>	<u>5,294,235</u>	<u>5,510,086</u>	<u>626,838</u>	<u>138,900</u>	<u>765,738</u>
Composition of Cash:						
Cash on Hand and Cash Items						1,500
Demand Deposits						( 137,964 )
Due from St of Ks (Recognized per KSA 10-1116a)						342,239
Money Market Account						609,148
Less: Agency Funds per Statement 4						( 49,185 )
Total Primary Government (1)						<u>765,738</u>

(1) Excluding Agency Funds

See accompanying notes to financial statements

Unified School District No. 462  
Summary of Expenditures - Actual and Budget  
(Budgeted Funds Only)  
For the Year Ended June 30, 2010

Statement 2

	<u>Certified Budget</u>	<u>Legal Max. Adjustment</u>	<u>Qualified Budget Cr. Adjustment</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Type Funds:						
General	\$ 2,839,136	( 99,662)		2,739,474	2,739,471	3
Supplemental General	897,738			897,738	897,738	
Special Revenue:						
At Risk (K-12)	278,878			278,878	239,116	39,762
Capital Outlay	340,000			340,000	146,379	193,621
Driver Training	19,190			19,190	4,785	14,405
Food Service	212,000		21,300	233,300	192,946	40,354
Professional Development	11,310			11,310	9,387	1,923
Special Education	494,613			494,613	384,871	109,742
Vocational Education	271,924			271,924	174,248	97,676
Gifts and Grants	25,589			25,589	5,198	20,391
KPERS Special Retirement Contribution	167,728			167,728	152,613	15,115
Recreation Commission	20,000			20,000	20,000	
Debt Service:						
Bond and Interest	319,023			319,023	311,985	7,038
Totals	<u>5,897,129</u>	<u>( 99,662)</u>	<u>21,300</u>	<u>5,818,767</u>	<u>5,278,737</u>	<u>540,030</u>

See accompanying notes to financial statements



General Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 229,046	186,882	178,970	7,912
Delinquent Taxes	2,431	1,786	2,547	( 761)
Total Revenue from Local Sources	231,477	188,668	181,517	7,151
Revenue from State Sources				
State Financial Aid	2,476,882	2,166,698	2,135,912	30,786
Mineral Production Tax	1,950	1,678	1,750	( 72)
Special Education Aid	308,722	247,733	285,600	( 37,867)
Total Revenue from State Sources	2,787,554	2,416,109	2,423,262	( 7,153)
Revenue from Federal Sources				
ARRA Grant		134,695	134,695	
Total Cash Receipts	3,019,031	2,739,472	2,739,474	( 2)
Expenditures and Transfers				
Instruction				
Certified Salaries	1,024,077	885,512	1,025,800	140,288
Non-Certified Salaries	55,562	47,351	59,900	12,549
Group Insurance	83,388	70,371	84,150	13,779
Social Security Contributions	78,145	76,058	80,000	3,942
Other Employee Benefits	30,695	19,747	21,200	1,453
Tuition to Private Sources	105,696	144,444	128,400	( 16,044)
Other Miscellaneous Purchased Services		714		( 714)
Miscellaneous Supplies		109		( 109)
Property ( Equipment & Furnishings)	5,090	5,004		( 5,004)
Other		802		( 802)
Total Instruction	1,382,653	1,250,112	1,399,450	149,338
Support Services - Students				
Social Security Contributions	2,795			
Other Employee Benefits	573	14	580	566
Total Support Services - Students	3,368	14	580	566
Support Services - Instructional Staff				
Certified Salaries	41,418	41,942	42,000	58
Non-Certified Salaries	48,471		50,100	50,100
Group Insurance	2,501	2,495	2,600	105
Social Security Contributions	5,912	5,908	7,048	1,140
Other Employee Benefits	584	504	790	286
Total Support Services - Instructional Staff	98,886	50,849	102,538	51,689
Instruction-Related Technology				
Non-Certified Salaries		49,199		( 49,199)
Support Services - General Administration				
Certified Salaries	43,545	42,708	43,750	1,042
Non-Certified Salaries	3,837	4,053	4,000	( 53)
Group Insurance	3,151	4,618	3,200	( 1,418)
Social Security Contributions	262	272	306	34
Other Employee Benefits	9	212	10	( 202)
Total Support Services - General Administration	50,804	51,863	51,266	( 597)
Support Services - School Administration				
Certified Salaries	121,269	129,564	124,250	( 5,314)
Non-Certified Salaries	46,827	46,726	48,900	2,174
Group Insurance	13,526	12,389	13,700	1,311
Social Security Contributions	12,292	12,935	13,000	65
Other Employee Benefits	1,574	1,254	1,800	546
Total Support Services - School Administration	195,488	202,868	201,650	( 1,218)

See accompanying notes to financial statements

General Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries	\$	134,665	144,713	141,500	( 3,213)
Group Insurance		13,084	16,410	14,000	( 2,410)
Social Security Contributions		10,059	10,609	11,000	391
Other Employee Benefits		2,768	11,828	2,850	( 8,978)
Repairs and Maintenance Services		4,020	56,066		( 56,066)
Electricity			97,759		( 97,759)
Total Support Services - Plant Operation and Maintenance		<u>164,596</u>	<u>337,385</u>	<u>169,350</u>	<u>( 168,035)</u>
Vehicle Operation Services					
Non-Certified Salaries		50,663	57,128	59,000	1,872
Group Insurance		12,833	14,075	12,500	( 1,575)
Social Security Contributions		3,722	4,223	4,515	292
Other Employee Benefits		733	2,746	950	( 1,796)
Other		668	668		( 668)
Total Vehicle Operation Services		<u>68,619</u>	<u>78,840</u>	<u>76,965</u>	<u>( 1,875)</u>
Supervision Services					
Non-Certified Salaries		13,201	16,477	14,308	( 2,169)
Group Insurance				1,000	1,000
Social Security Contributions		1,011	1,245	2,700	1,455
Other Employee Benefits		393	977	500	( 477)
Total Supervision Services		<u>14,605</u>	<u>18,699</u>	<u>18,508</u>	<u>( 191)</u>
Vehicle Servicing and Maintenance Services					
Non-Certified Salaries		18,482	16,391	18,308	1,917
Social Security Contributions		1,416	1,245	1,500	255
Total Vehicle Servicing and Maintenance Services		<u>19,898</u>	<u>17,636</u>	<u>19,808</u>	<u>2,172</u>
Other Student Transportation Services					
Non-Certified Salaries		11,576	11,165	14,000	2,835
Group Insurance		95		100	100
Social Security Contributions		900	838	1,000	162
Other Employee Benefits		132	1,274	180	( 1,094)
Total Other Student Transportation Services		<u>12,703</u>	<u>13,277</u>	<u>15,280</u>	<u>2,003</u>
Support Services - Business					
Non-Certified Salaries		70,136	72,907	72,000	( 907)
Social Security Contributions		8,386	8,539	9,000	461
Other Employee Benefits		1,071	1,098	1,250	152
Supplies and Materials		221	49		( 49)
Other			5		( 5)
Total Support Services - Business		<u>79,814</u>	<u>82,598</u>	<u>82,250</u>	<u>( 348)</u>
Facilities Acquisition and Construction Services					
Repairs and Maintenance Services		<u>63,250</u>			
Fund Transfers					
Capital Outlay		62,754			
Food Service		20,000	17,260		( 17,260)
Professional Development		10,000			
Special Education		388,722	285,885	344,000	58,115
Vocational Education		172,132	100,000	176,080	76,080
Contingency Reserve		5,000			
At Risk (K-12)		205,739	182,986	181,411	( 1,575)
Total Fund Transfers		<u>864,347</u>	<u>586,131</u>	<u>701,491</u>	<u>115,360</u>
Budget Adjustments					
Legal Max Adjustment				( 99,662)	( 99,662)
Total Expenditures and Transfers		<u>3,019,031</u>	<u>2,739,471</u>	<u>2,739,474</u>	<u>3</u>
Receipts Over (Under)					
Expenditures and Transfers			1		
Unencumbered Cash, Beginning					
Unencumbered Cash, Ending			<u>1</u>		

See accompanying notes to financial statements

Supplemental General Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 348,490	267,627	261,389	6,238
Delinquent Taxes	3,439	3,937	3,995	( 58)
Total Revenue from Local Sources	351,929	271,564	265,384	6,180
Revenue from County Sources				
16/20M Truck Tax	4,746	4,368		4,368
Motor Vehicle Tax	36,798	38,519	44,914	( 6,395)
Recreational Vehicle Tax	802	896	813	83
Total Revenue from County Sources	42,346	43,783	45,727	( 1,944)
Revenue from State Sources				
Supplemental State Aid	552,852	399,006	537,377	( 138,371)
Slider	67			
Total Revenue from State Sources	552,919	399,006	537,377	( 138,371)
Revenue from Federal Sources				
ARRA Grant		135,566		135,566
Total Cash Receipts	947,194	849,919	848,488	1,431
Expenditures and Transfers				
Instruction				
Certified Salaries		135,566		( 135,566)
Other Employee Benefits	840	75		( 75)
Purchased Professional and Technical Services	2,833	1,645	3,300	1,655
Other Purchased Services	534	241		( 241)
Tuition to Private Sources	3,085	6,056		( 6,056)
Other Miscellaneous Purchased Services	12,278	7,039	13,300	6,261
Supplies and Materials	72,109	73,514		( 73,514)
General Supplies and Materials			96,000	96,000
Textbooks	10,558	1,372	17,900	16,528
Miscellaneous Supplies	2,663	646		( 646)
Property ( Equipment & Furnishings)	46,569	8,685	53,000	44,315
Other			1,000	1,000
Total Instruction	151,469	234,839	184,500	( 50,339)
Support Services - Students				
Purchased Professional and Technical Services	2,087	1,748	2,400	652
Supplies and Materials	661	907	700	( 207)
Other	545	2,087		( 2,087)
Total Support Services - Students	3,293	4,742	3,100	( 1,642)
Support Services - Instructional Staff				
Purchased Professional and Technical Services	2,071	6,358	4,000	( 2,358)
Purchased Property Services	7,136	1,668	7,000	5,332
Other Purchased Services			4,150	4,150
Supplies and Materials		5,781		( 5,781)
Books and Periodicals	7,714	2,352	6,559	4,207
Technology Supplies	10,588	14,665	20,000	5,335
Miscellaneous Supplies	9,942	1,649		( 1,649)
Other	11,610	13,596		( 13,596)
Total Support Services - Instructional Staff	49,061	46,069	41,709	( 4,360)
Support Services - General Administration				
Purchased Professional and Technical Services	10,886	11,659	12,500	841
Insurance Services	250	250	300	50
Supplies and Materials	574	876	600	( 276)
Other	392	25	400	375
Total Support Services - General Administration	12,102	12,810	13,800	990

See accompanying notes to financial statements

Supplemental General Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Support Services - School Administration				
Communication Services	\$ 5,750	4,404	6,500	2,096
Other Miscellaneous Purchased Services	4,673	8,019	4,500	( 3,519)
Supplies and Materials	26,133	14,721	24,000	9,279
Property ( Equipment & Furnishings)	714	109	7,000	6,891
Other	1,719		2,500	2,500
Total Support Services - School Administration	38,989	27,253	44,500	17,247
Support Services - Plant Operation and Maintenance				
Water/Sewer Services (Non-Energy)	12,679	11,487	15,000	3,513
Cleaning Services	5,467	3,204	5,500	2,296
Repairs and Maintenance Services	42,804	55,445	45,000	( 10,445)
Rentals or Lease Services	3,980	3,524	5,000	1,476
Insurance Services	31,744	36,782	33,000	( 3,782)
Supplies and Materials	54,885	65,794		( 65,794)
General Supplies and Materials			50,000	50,000
Heating	26,587	31,432	40,000	8,568
Electricity	123,367		125,000	125,000
Property ( Equipment & Furnishings)	31,254	972	16,000	15,028
Other	619	139	600	461
Total Support Services - Plant Operation and Maintenance	333,386	208,779	335,100	126,321
Vehicle Operation Services				
Other Purchased Services	926	1,061		( 1,061)
Mileage in Lieu of Transportation			1,500	1,500
Insurance Services	7,609	9,327	10,000	673
Supplies and Materials		20,413		( 20,413)
Motor Fuel	23,415	22,638	60,000	37,362
Property ( Equipment & Furnishings)			28,000	28,000
Equipment	7,390	12,565		( 12,565)
Other	4,128	10,887	2,500	( 8,387)
Total Vehicle Operation Services	43,468	76,891	102,000	25,109
Vehicle Servicing and Maintenance Services				
Purchased Property Services			5,000	5,000
Other Purchased Services			500	500
Supplies and Materials	17,663		20,000	20,000
Other	878			
Total Vehicle Servicing and Maintenance Services	18,541		25,500	25,500
Other Student Transportation Services				
Other Purchased Services			1,000	1,000
Motor Fuel		4,980		( 4,980)
Total Other Student Transportation Services		4,980	1,000	( 3,980)
Support Services - Business				
Purchased Professional and Technical Services	4,548	5,801	2,000	( 3,801)
Other Purchased Services	2,437	1,459	10,300	8,841
Supplies and Materials	7,122	7,499	10,000	2,501
Property ( Equipment & Furnishings)			500	500
Other	975	355	1,600	1,245
Total Support Services - Business	15,082	15,114	24,400	9,286
Facilities Acquisition and Construction Services				
Other Purchased Services	113,015	50,238		( 50,238)
Fund Transfers				
Driver Training	15,000			
Food Service			20,000	20,000
Professional Development	8,000	3,387		( 3,387)
Special Education	47,201	100,005	46,000	( 54,005)
Vocational Education	12,077	56,502		( 56,502)
At Risk (K-12)	38,461	56,129	56,129	
Total Fund Transfers	120,739	216,023	122,129	( 93,894)
Total Expenditures and Transfers	899,145	897,738	897,738	

See accompanying notes to financial statements

Unified School District No. 462  
Supplemental General Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

			Current Year		Variance Favorable (Unfavor)
			Prior Year Actual	Current Year Actual	
Receipts Over (Under)					
Expenditures and Transfers	\$	48,049	(	47,819)	
Unencumbered Cash, Beginning				48,049	
Unencumbered Cash, Ending		<u>48,049</u>		<u>230</u>	

See accompanying notes to financial statements

At Risk (K-12) Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$		41,300	( 41,300)
Operating Transfers				
Transfer from General Fund	205,739	182,987	181,411	1,576
Transfer from Supplemental General Fund	38,461	56,129	56,129	
Total Operating Transfers	244,200	239,116	237,540	1,576
Total Cash Receipts	244,200	239,116	278,840	( 39,724)
Expenditures and Transfers				
Instruction				
Certified Salaries	117,140	95,696	150,000	54,304
Non-Certified Salaries	14,902	35,847	15,000	( 20,847)
Group Insurance			6,000	6,000
Social Security Contributions	9,518	12,618	13,440	822
Other Employee Benefits	4,517	12,922	1,200	( 11,722)
Purchased Professional and Technical Services	14,279	14,915	14,500	( 415)
Supplies and Materials	4,614	7,409	15,000	7,591
Property ( Equipment & Furnishings)	36,501	4,626	10,376	5,750
Total Instruction	201,471	184,033	225,516	41,483
Support Services - Students				
Certified Salaries	40,913	45,110	45,111	1
Group Insurance		1,835	2,500	665
Social Security Contributions			3,451	3,451
Other Employee Benefits			500	500
Other Purchased Services	1,800	7,050	1,800	( 5,250)
Total Support Services - Students	42,713	53,995	53,362	( 633)
Vehicle Operation Services				
Non-Certified Salaries	15	798		( 798)
Other Employee Benefits		2		( 2)
Total Vehicle Operation Services	15	800		( 800)
Supervision Services				
Social Security Contributions	1	60		( 60)
Other Employee Benefits		228		( 228)
Total Supervision Services	1	288		( 288)
Total Expenditures and Transfers	244,200	239,116	278,878	39,762
Receipts Over (Under)				
Unencumbered Cash, Beginning	39			
Expenditures and Transfers				
Unencumbered Cash, Beginning		39		
Unencumbered Cash, Ending	39	39		

See accompanying notes to financial statements

Capital Outlay Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 65,915	67,260	67,445	( 185)
Delinquent Taxes	704	753	758	( 5)
Earnings on Investments	10,681	7,943	12,000	( 4,057)
Other Revenue From Local Sources	94,452	7,410	25,000	( 17,590)
Total Revenue from Local Sources	<u>171,752</u>	<u>83,366</u>	<u>105,203</u>	<u>( 21,837)</u>
Revenue from County Sources				
16/20M Truck Tax	860	882		882
Motor Vehicle Tax	7,995	7,701	8,932	( 1,231)
Recreational Vehicle Tax	188	191	162	29
Total Revenue from County Sources	<u>9,043</u>	<u>8,774</u>	<u>9,094</u>	<u>( 320)</u>
Revenue from State Sources				
Slider	1			
Capital Outlay State Aid	27,823			
Total Revenue from State Sources	<u>27,824</u>			
Operating Transfers				
Transfer from General Fund	62,754			
Total Cash Receipts	<u>271,373</u>	<u>92,140</u>	<u>114,297</u>	<u>( 22,157)</u>
Expenditures and Transfers				
Instruction				
Property ( Equipment & Furnishings)	<u>1,200</u>		<u>55,000</u>	<u>55,000</u>
Student Transportation Services				
Property ( Equipment & Furnishings)	<u>16,850</u>	<u>19,879</u>	<u>105,000</u>	<u>85,121</u>
Facilities Acquisition and Construction Services				
Site Improvement Services	<u>133,147</u>	<u>126,500</u>	<u>180,000</u>	<u>53,500</u>
Total Expenditures and Transfers	<u>151,197</u>	<u>146,379</u>	<u>340,000</u>	<u>193,621</u>
Receipts Over (Under)				
Expenditures and Transfers	120,176	( 54,239)		
Unencumbered Cash, Beginning	<u>170,901</u>	<u>291,077</u>		
Unencumbered Cash, Ending	<u>291,077</u>	<u>236,838</u>		

Driver Training Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 1,400	1,500		1,500
Revenue from State Sources				
Other State Aid	646	750	900	( 150)
Operating Transfers				
Transfer from Supplemental General Fund	15,001			
Total Cash Receipts	<u>17,047</u>	<u>2,250</u>	<u>900</u>	<u>1,350</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	3,424	3,203	6,000	2,797
Group Insurance			300	300
Social Security Contributions	262	233	300	67
Other Employee Benefits	12	212	15	( 197)
Supplies and Materials	310	137	500	363
Total Instruction	<u>4,008</u>	<u>3,785</u>	<u>7,115</u>	<u>3,330</u>
Vehicle Operation and Maintenance Services				
Motor Fuel	1,908			
Property ( Equipment & Furnishings)		1,000	12,075	11,075
Total Vehicle Operation and Maintenance Services	<u>1,908</u>	<u>1,000</u>	<u>12,075</u>	<u>11,075</u>
Total Expenditures and Transfers	<u>5,916</u>	<u>4,785</u>	<u>19,190</u>	<u>14,405</u>
Receipts Over (Under)				
Expenditures and Transfers	11,131	( 2,535)		
Unencumbered Cash, Beginning	<u>7,160</u>	<u>18,291</u>		
Unencumbered Cash, Ending	<u>18,291</u>	<u>15,756</u>		

See accompanying notes to financial statements



Food Service Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Student Sales	\$ 51,627	53,216	47,203	6,013
Adults and Non-Reimbursable Programs	15,089	10,585	19,007	( 8,422)
Other Revenue From Local Sources	3,445	463	5,290	( 4,827)
Total Revenue from Local Sources	<u>70,161</u>	<u>64,264</u>	<u>71,500</u>	<u>( 7,236)</u>
Revenue from State Sources				
State Financial Aid	1,788	1,820		1,820
Other State Aid			1,819	( 1,819)
Total Revenue from State Sources	<u>1,788</u>	<u>1,820</u>	<u>1,819</u>	<u>1</u>
Revenue from Federal Sources				
Passed Through State of Kansas	90,926	109,602	88,302	21,300
Operating Transfers				
Transfer from General Fund	20,000	17,260		17,260
Transfer from Supplemental General Fund			20,000	( 20,000)
Total Operating Transfers	<u>20,000</u>	<u>17,260</u>	<u>20,000</u>	<u>( 2,740)</u>
Total Cash Receipts	<u>182,875</u>	<u>192,946</u>	<u>181,621</u>	<u>11,325</u>
Expenditures and Transfers				
Food Service Operations				
Non-Certified Salaries	58,113	63,099	65,700	2,601
Group Insurance	8,034	8,818	9,000	182
Social Security Contributions	4,208	4,561	5,030	469
Other Employee Benefits	870	5,957	920	( 5,037)
Other Miscellaneous Purchased Services	1,874	2,092	1,900	( 192)
Food and Milk	103,661	103,392	120,000	16,608
Miscellaneous Supplies	1,951	3,403	2,000	( 1,403)
Property ( Equipment & Furnishings)		956	6,150	5,194
Other	1,237	668	1,300	632
Total Food Service Operations	<u>179,948</u>	<u>192,946</u>	<u>212,000</u>	<u>19,054</u>
Budget Credit Adjustment			21,300	21,300
Total Expenditures and Transfers	<u>179,948</u>	<u>192,946</u>	<u>233,300</u>	<u>40,354</u>
Receipts Over (Under)				
Expenditures and Transfers	2,927			
Unencumbered Cash, Beginning	<u>27,452</u>	<u>30,379</u>		
Unencumbered Cash, Ending	<u>30,379</u>	<u>30,379</u>		

See accompanying notes to financial statements

Unified School District No. 462  
Professional Development Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$ 1,291		110	( 110)
Operating Transfers				
Transfer from General Fund	10,001			
Transfer from Supplemental General Fund	8,000	3,387		3,387
Total Operating Transfers	18,001	3,387		3,387
Total Cash Receipts	19,292	3,387	110	3,277
Expenditures and Transfers				
Support Services - Instructional Staff				
Certified Salaries	1,530	3,740	5,000	1,260
Social Security Contributions	117	286	400	114
Other Employee Benefits	3	2	10	8
Purchased Professional and Technical Services	6,436	3,944	5,000	1,056
Other Purchased Services	78	617	100	( 517)
Miscellaneous Supplies	641	317	500	183
Other	517	481	300	( 181)
Total Expenditures and Transfers	9,322	9,387	11,310	1,923
Receipts Over (Under)				
Expenditures and Transfers	9,970	( 6,000)		
Unencumbered Cash, Beginning	1,230	11,200		
Unencumbered Cash, Ending	11,200	5,200		

See accompanying notes to financial statements

Special Education Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 1,200			
Operating Transfers				
Transfer from General Fund	388,721	285,884	344,000	( 58,116)
Transfer from Supplemental General Fund	47,201	100,005	46,000	54,005
Total Operating Transfers	435,922	385,889	390,000	( 4,111)
Total Cash Receipts	437,122	385,889	390,000	( 4,111)
Expenditures and Transfers				
Instruction				
Certified Salaries			40,000	40,000
Group Insurance			2,150	2,150
Social Security Contributions			2,591	2,591
Other Employee Benefits			350	350
LEA Payments to COOP (Local Share)	67,465	122,578	119,578	( 3,000)
LEA Payments to COOP (Flowthrough)	291,122	238,533	268,000	29,467
Supplies and Materials	248			
Total Instruction	358,835	361,111	432,669	71,558
Vehicle Operation Services				
Non-Certified Salaries	10,660	8,978	15,000	6,022
Group Insurance	41	134	2,195	2,061
Social Security Contributions	815	686	1,500	814
Other Employee Benefits	23	327	25	( 302)
Mileage in Lieu of Transportation	91		1,000	1,000
Insurance Services	425	319	1,600	1,281
Supplies and Materials			500	500
Motor Fuel	4,443	4,296	8,924	4,628
Miscellaneous Supplies	1,360			
Property ( Equipment & Furnishings)			31,200	31,200
Equipment		9,000		( 9,000)
Other	59	20		( 20)
Total Vehicle Operation Services	17,917	23,760	61,944	38,184
Total Expenditures and Transfers	376,752	384,871	494,613	109,742
Receipts Over (Under)				
Expenditures and Transfers	60,370	1,018		
Unencumbered Cash, Beginning	43,820	104,190		
Unencumbered Cash, Ending	104,190	105,208		

See accompanying notes to financial statements

Vocational Education Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Federal Sources				
Passed Through State of Kansas	\$ 1,251			
Operating Transfers				
Transfer from General Fund	172,131	100,000	176,080	( 76,080)
Transfer from Supplemental General Fund	12,077	56,502		56,502
Total Operating Transfers	184,208	156,502	176,080	( 19,578)
Total Cash Receipts	185,459	156,502	176,080	( 19,578)
Expenditures and Transfers				
Instruction				
Certified Salaries	104,880	138,737	160,000	21,263
Group Insurance		9,584	10,000	416
Social Security Contributions	7,658	10,095	1,400	( 8,695)
Other Employee Benefits	2,145	1,839	3,000	1,161
Purchased Professional and Technical Services	358	160	500	340
Supplies and Materials	5,178	3,933		( 3,933)
General Supplies and Materials			10,000	10,000
Textbooks			8,000	8,000
Technology Supplies			2,000	2,000
Property ( Equipment & Furnishings)	57	4,593	47,724	43,131
Total Instruction	120,276	168,941	242,624	73,683
Support Services - Plant Operation and Maintenance				
Water/Sewer Services (Non-Energy)	219	305		( 305)
Repairs and Maintenance Services			20,000	20,000
Heating	253	391	3,000	2,609
Electricity	2,903	4,611	6,000	1,389
Other			300	300
Total Support Services - Plant Operation and Maintenance	3,375	5,307	29,300	23,993
Total Expenditures and Transfers	123,651	174,248	271,924	97,676
Receipts Over (Under)				
Unencumbered Cash, Beginning	34,035	95,843		
Expenditures and Transfers	61,808	( 17,746)		
Unencumbered Cash, Ending	95,843	78,097		

Gifts and Grants Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 1,000	501		501
Donations	<u>5,762</u>	<u>1,025</u>	<u>10,000</u>	<u>( 8,975)</u>
Total Revenue from Local Sources	<u>6,762</u>	<u>1,526</u>	<u>10,000</u>	<u>( 8,474)</u>
Revenue from County Sources				
Donations	<u>1,000</u>	<u>1,000</u>		<u>1,000</u>
Total Cash Receipts	<u>7,762</u>	<u>2,526</u>	<u>10,000</u>	<u>( 7,474)</u>
Expenditures and Transfers				
Instruction				
Purchased Professional and Technical Services	231	1,178	500	( 678)
Other Miscellaneous Purchased Services			25,089	25,089
Supplies and Materials		<u>1,995</u>		<u>( 1,995)</u>
Total Instruction	<u>231</u>	<u>3,173</u>	<u>25,589</u>	<u>22,416</u>
Other Services				
Scholarships	<u>4,637</u>	<u>2,025</u>		<u>( 2,025)</u>
Total Expenditures and Transfers	<u>4,868</u>	<u>5,198</u>	<u>25,589</u>	<u>20,391</u>
Receipts Over (Under)				
Expenditures and Transfers	2,894	( 2,672)		
Unencumbered Cash, Beginning	<u>12,695</u>	<u>15,589</u>		
Unencumbered Cash, Ending	<u>15,589</u>	<u>12,917</u>		

See accompanying notes to financial statements

Unified School District No. 462  
KPERs Special Retirement Contribution Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$ 145,849	73,741	167,728	( 93,987)
Total Cash Receipts	<u>145,849</u>	<u>73,741</u>	<u>167,728</u>	<u>( 93,987)</u>
Expenditures and Transfers				
Instruction				
Employee Benefits	<u>101,657</u>	<u>106,383</u>	<u>117,000</u>	<u>10,617</u>
Support Services - General Administration				
Employee Benefits	<u>7,584</u>	<u>7,936</u>	<u>8,628</u>	<u>692</u>
Support Services - School Administration				
Employee Benefits	<u>11,668</u>	<u>12,209</u>	<u>13,400</u>	<u>1,191</u>
Support Services - Plant Operation and Maintenance				
Employee Benefits	<u>10,064</u>	<u>10,530</u>	<u>11,600</u>	<u>1,070</u>
Student Transportation Services				
Employee Benefits	<u>7,438</u>	<u>7,783</u>	<u>8,600</u>	<u>817</u>
Support Services - Business				
Employee Benefits	<u>2,625</u>	<u>2,747</u>	<u>3,000</u>	<u>253</u>
Food Service Operations				
Employee Benefits	<u>4,813</u>	<u>5,025</u>	<u>5,500</u>	<u>475</u>
Total Expenditures and Transfers	<u>145,849</u>	<u>152,613</u>	<u>167,728</u>	<u>15,115</u>
Receipts Over (Under)				
Expenditures and Transfers		( 78,872)		
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending		<u>( 78,872)</u>		

See accompanying notes to financial statements

Unified School District No. 462  
Contingency Reserve Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers		
Transfer from General Fund	\$ 5,000	
Total Cash Receipts	<u>5,000</u>	
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers	5,000	
Unencumbered Cash, Beginning	<u>35,000</u>	<u>40,000</u>
Unencumbered Cash, Ending	<u>40,000</u>	<u>40,000</u>

See accompanying notes to financial statements

Unified School District No. 462  
Textbook & Student Material Revolving Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

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	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Student Fees	\$ 5,634	13,648
Other Revenue From Local Sources	<u>12</u>	<u>32</u>
Total Cash Receipts	<u>5,646</u>	<u>13,680</u>
Expenditures and Transfers		
Instruction		
Textbooks	<u>15,075</u>	<u>12,979</u>
Total Expenditures and Transfers	<u>15,075</u>	<u>12,979</u>
Receipts Over (Under)		
Expenditures and Transfers	( 9,429)	701
Unencumbered Cash, Beginning	<u>10,961</u>	<u>1,532</u>
Unencumbered Cash, Ending	<u><u>1,532</u></u>	<u><u>2,233</u></u>

See accompanying notes to financial statements



Unified School District No. 462  
Recreation Commission Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 13,275	20,467	21,341	( 874)
Delinquent Taxes	221	186	132	54
Total Revenue from Local Sources	<u>13,496</u>	<u>20,653</u>	<u>21,473</u>	<u>( 820)</u>
Revenue from County Sources				
16/20M Truck Tax	294	266		266
Motor Vehicle Tax	2,210	2,070	2,329	( 259)
Recreational Vehicle Tax	53	51	42	9
Total Revenue from County Sources	<u>2,557</u>	<u>2,387</u>	<u>2,371</u>	<u>16</u>
Revenue from State Sources				
Slider	30			
Total Cash Receipts	<u>16,083</u>	<u>23,040</u>	<u>23,844</u>	<u>( 804)</u>
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	20,000	20,000	20,000	
Total Expenditures and Transfers	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
Receipts Over (Under)				
Expenditures and Transfers	( 3,917)	3,040		
Unencumbered Cash, Beginning	6,163	2,246		
Unencumbered Cash, Ending	<u>2,246</u>	<u>5,286</u>		

See accompanying notes to financial statements

Unified School District No. 462  
Technology Literacy Challenge (Title II-D) Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 659	619
ARRA Grant		1,445
Total Cash Receipts	659	2,064
Expenditures and Transfers		
Instruction		
Other Purchased Services	165	855
Property ( Equipment & Furnishings)	494	1,204
Total Expenditures and Transfers	659	2,059
Receipts Over (Under)		
Expenditures and Transfers		5
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		5

See accompanying notes to financial statements

Unified School District No. 462  
Rural Education Achievement Program Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Direct From Federal Government	\$ 3,263	44,182
Total Cash Receipts	<u>3,263</u>	<u>44,182</u>
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services		1,035
Other Purchased Services	3,263	290
Supplies and Materials		42,837
Total Instruction	<u>3,263</u>	<u>44,162</u>
Support Services - Instructional Staff		
Other Professional Services		20
Total Expenditures and Transfers	<u>3,263</u>	<u>44,182</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

See accompanying notes to financial statements

Unified School District No. 462  
Special Mini-Grants Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$	630
Revenue from Federal Sources		
Passed Through State of Kansas	3,001	1,500
Other Federal Financial Assistance	500	176
Total Revenue from Federal Sources	3,501	1,676
Total Cash Receipts	3,501	2,306
Expenditures and Transfers		
Instruction		
Property ( Equipment & Furnishings)	4,018	1,855
Other	251	1,348
Total Expenditures and Transfers	4,269	3,203
Receipts Over (Under)		
Expenditures and Transfers	( 768)	( 897)
Unencumbered Cash, Beginning	8,569	7,801
Unencumbered Cash, Ending	7,801	6,904

See accompanying notes to financial statements

Unified School District No. 462  
Low Income ESEA (Title I) Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 68,876	74,492
ARRA Grant		22,922
Total Cash Receipts	68,876	97,414
Expenditures and Transfers		
Instruction		
Certified Salaries	49,430	67,315
Non-Certified Salaries	5,467	2,571
Group Insurance	2,358	5,153
Social Security Contributions	5,168	5,191
Other Employee Benefits	1,595	773
Other Purchased Services	3,511	5,559
Supplies and Materials	889	1,418
Other		36
Total Instruction	68,418	88,016
Support Services - Students		
Other Purchased Services		512
Total Expenditures and Transfers	68,418	88,528
Receipts Over (Under)		
Expenditures and Transfers	458	8,886
Unencumbered Cash, Beginning		458
Unencumbered Cash, Ending	458	9,344

See accompanying notes to financial statements

Unified School District No. 462  
Improving Teacher Quality (Title II-A) Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 24,230	21,839
Total Cash Receipts	<u>24,230</u>	<u>21,839</u>
Expenditures and Transfers		
Instruction		
Social Security Contributions	942	413
Other Employee Benefits	11	
Other Purchased Services		1,231
Supplies and Materials		394
Total Instruction	<u>953</u>	<u>2,038</u>
Support Services - Students		
Group Insurance		1,830
Social Security Contributions		1,399
Other Employee Benefits		221
Total Support Services - Students		<u>3,450</u>
Health Services		
Certified Salaries	20,055	22,931
Group Insurance	1,837	570
Social Security Contributions	592	
Other Employee Benefits	27	7
Total Health Services	<u>22,511</u>	<u>23,508</u>
Total Expenditures and Transfers	<u>23,464</u>	<u>28,996</u>
Receipts Over (Under)		
Expenditures and Transfers	766	( 7,157)
Unencumbered Cash, Beginning	<u>5,440</u>	<u>6,206</u>
Unencumbered Cash, Ending	<u><u>6,206</u></u>	<u><u>( 951)</u></u>

See accompanying notes to financial statements

Unified School District No. 462  
Drug-Free Schools (Title IV-A) Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 1,330	1,312
Total Cash Receipts	<u>1,330</u>	<u>1,312</u>
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services	439	
Other Purchased Services	309	414
Supplies and Materials	<u>713</u>	<u>898</u>
Total Expenditures and Transfers	<u>1,461</u>	<u>1,312</u>
Receipts Over (Under)		
Expenditures and Transfers	( 131 )	
Unencumbered Cash, Beginning	<u>131</u>	
Unencumbered Cash, Ending	<u><u>          </u></u>	<u><u>          </u></u>

See accompanying notes to financial statements

Bond and Interest Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 156,282	123,173	122,520	653
Delinquent Taxes	1,878	1,900	1,709	191
Total Revenue from Local Sources	<u>158,160</u>	<u>125,073</u>	<u>124,229</u>	<u>844</u>
Revenue from County Sources				
16/20M Truck Tax	2,408	2,350		2,350
Motor Vehicle Tax	19,110	19,798	22,716	( 2,918)
Recreational Vehicle Tax	456	492	411	81
Total Revenue from County Sources	<u>21,974</u>	<u>22,640</u>	<u>23,127</u>	<u>( 487)</u>
Revenue from State Sources				
Slider	124			
Capital Improvement State Aid	142,105	149,753	148,283	1,470
Total Revenue from State Sources	<u>142,229</u>	<u>149,753</u>	<u>148,283</u>	<u>1,470</u>
Total Cash Receipts	<u>322,363</u>	<u>297,466</u>	<u>295,639</u>	<u>1,827</u>
Expenditures and Transfers				
Debt Service				
Interest (Coupons)	128,923	121,985	128,923	6,938
Commission and Postage			100	100
Redemption of Principal	180,000	190,000	190,000	
Total Expenditures and Transfers	<u>308,923</u>	<u>311,985</u>	<u>319,023</u>	<u>7,038</u>
Receipts Over (Under)				
Expenditures and Transfers	13,440	( 14,519)		
Unencumbered Cash, Beginning	<u>151,138</u>	<u>164,578</u>		
Unencumbered Cash, Ending	<u>164,578</u>	<u>150,059</u>		

See accompanying notes to financial statements



Unified School District No. 462  
Sports Complex Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2010  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

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	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 25,000	
Total Cash Receipts	<u>25,000</u>	
Expenditures and Transfers		
Facilities Acquisition and Construction Services		
Other Facilities Acquisition and Construction Services	<u>25,000</u>	
Total Expenditures and Transfers	<u>25,000</u>	
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

See accompanying notes to financial statements

Unified School District No. 462  
Burden, Kansas  
Agency Funds  
Statement of Cash Receipts and Disbursements  
For the Year Ended June 30, 2010

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
High School:				
Advertising	\$ 50	250		300
Band / Choir	880	24,924	17,059	8,745
Baseball Activity	-	1,221	480	741
Business Technology	194			194
CCCC	1,040	1,810	1,597	1,253
CES Activity	1,049	3,404	3,749	704
CES Cycle Project	93	100		193
CES Library	207	584	606	185
CJSHS Academic	2,844	256	394	2,706
CJSHS Library	137	71	25	183
Cross Country	1,340	420	325	1,435
Dance Team	195	119		314
Equipment / Concessions		549		549
FACS Activity	-	719		719
Farley Frazier	75			75
FCCLA Activity	257	1,412	1,179	490
FFA	1,918	18,965	16,347	4,536
Fireworks Activity	1,737	10,228	10,513	1,452
Flag Team	223	1,041	1,143	121
Football	568	3,201	2,838	931
Forensics	468	292	449	311
Freshmen Class	1,561			1,561
Fundraiser Music	5,350		5,350	-
Girls Softball	484			484
Graphics	7,420	12,762	15,350	4,832
H Whitehill Memorial	365		200	165
High School Pep Club	843	1,318	1,831	330
Interest on Fund	226	44		270
Junior Class	2,213	8,596	6,175	4,634
Junior High Pep Club	648	1,040	448	1,240
Lettermans Club	38	3,028	2,941	125
Milk Machine	-	6,722	5,015	1,707
RADD	262			262
Science Department	19			19
Senior Class	5,796	320	6,116	-
Sophomore Class	1,367			1,367
Student Council	968	1,798	1,937	829
Technology Activities	1,912	201	1,912	201
Track	197	1,909	1,445	661
Volleyball	20	350	320	50
Wrestling Activity	109	1,274	1,172	211
Other Agency Funds:				
Board Agency Fund	2,299	16,063	14,979	3,383
Sales Tax	302	3,034	2,620	716
Total Agency Funds	<u>45,674</u>	<u>128,025</u>	<u>124,515</u>	<u>49,184</u>

See accompanying notes to financial statements.

Unified School District No. 462  
Burden, Kansas  
District Activity Funds  
Statement of Cash Receipts, Expenditures and Unencumbered Cash  
For the Year Ended June 30, 2010

Statement 5

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<u>Gate Receipts:</u>						
Athletics	\$ 1,541	24,112	21,910	3,743		3,743
Weight-A-Thon	128			128		128
Boys Shoot-A-Thon	58	420	443	35		35
Girls Shoot-A-Thon	416	420	525	311		311
Concessions	-	18,307	18,307	-		
Subtotal Gate Receipts	2,143	43,259	41,185	4,217	-	4,217
<u>Special Projects:</u>						
Yearbook	3,068	10,626	9,746	3,948		3,948
Subtotal Special Projects	3,068	10,626	9,746	3,948	-	3,948
Total District Activity Funds	5,211	53,885	50,931	8,165	-	8,165

See accompanying notes to financial statements.

Unified School District No. 462  
Burden, Kansas  
Statement of Changes in Long Term Debt  
For the Year Ended June 30, 2010

Statement 6  
Page 1 of 2

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance end of Year</u>	<u>Interest Paid</u>
<u>OUTSTANDING OBLIGATIONS:</u>										
<u>General Obligation Bonds:</u>										
Series 2005 Refunding Issue	3.75-4.3%	5/1/2005	3,290,000	9/1/2001	3,110,000		190,000		2,920,000	121,985
<u>Capital Leases:</u>										
Sports Complex	5.94%	4/10/2007	1,000,000	7/15/2017	737,546		82,683		654,863	43,817
Band Instruments	4.35%	12/11/2006	13,791	12/11/2009	4,795		4,795		-	209
<u>POTENTIAL OBLIGATIONS:</u>										
<u>Compensated Absences:</u>										
Sick Leave Maximum Potential Liability					31,698			(1,042)	30,656	
Total Long-Term Debt					<u>3,884,039</u>	<u>-</u>	<u>277,478</u>	<u>(1,042)</u>	<u>3,605,519</u>	<u>166,011</u>

See accompanying notes to financial statements.

Unified School District No. 462  
Burden, Kansas  
Statement of Maturity of Long Term Debt  
For the Year Ended June 30, 2010

Statement 6  
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<u>Issue</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016/20</u>	<u>2021/22</u>	<u>Totals</u>
<u>Principal:</u>								
<u>General Obligation Bonds:</u>								
Series 2005 Refunding Issue	200,000	210,000	220,000	230,000	235,000	1,355,000	470,000	2,920,000
<u>Capital Leases:</u>								
Sports Complex		87,595	92,707	98,307	104,147	272,107		654,863
Band Instruments								-
Total Principal	<u>200,000</u>	<u>297,595</u>	<u>312,707</u>	<u>328,307</u>	<u>339,147</u>	<u>1,627,107</u>	<u>470,000</u>	<u>3,574,863</u>
<u>Interest:</u>								
<u>General Obligation Bonds:</u>								
Series 2005 Refunding Issue	114,673	106,722	98,123	89,122	79,823	244,195	16,693	749,351
<u>Capital Leases:</u>								
Sports Complex		38,905	33,793	28,193	22,353	28,471		151,715
Band Instruments								-
Total Interest	<u>114,673</u>	<u>145,627</u>	<u>131,916</u>	<u>117,315</u>	<u>102,176</u>	<u>272,666</u>	<u>16,693</u>	<u>901,066</u>
Total Principal and Interest	<u><u>314,673</u></u>	<u><u>443,222</u></u>	<u><u>444,623</u></u>	<u><u>445,622</u></u>	<u><u>441,323</u></u>	<u><u>1,899,773</u></u>	<u><u>486,693</u></u>	<u><u>4,475,929</u></u>

The notes to the financial statements are an integral part of this statement.

Unified School District No. 462  
Burden, Kansas  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

Note 1      Summary of Significant Accounting Policies

A.      Reporting Entity

Principles Used in Determining Scope of Entity

Central Unified School District No. 462 is a municipal corporation governed by an elected seven-member board. These financial statements present the school district as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in these financial statements.

B.      Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the school district for the year of 2010:

Governmental Funds:

General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds--to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Fiduciary Funds:

Trust and Agency Funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds and (d) Agency Funds.

C.      Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract.

The District has obtained a waiver of generally accepted accounting principles from the State of Kansas which thereby requires this type of special reporting.

Unified School District No. 462  
Burden, Kansas  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The District made no budget amendments during the 2010 fiscal year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds and the following special revenue funds of the District:

Contingency Reserve Fund  
Textbook and Student Material Revolving

Unified School District No. 462  
Burden, Kansas  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

Technology Literacy Challenge (Title II-D) Grant Fund  
Rural Education Achievement Program  
Special Mini-Grants Fund  
Low Income ESEA (Title I) Fund  
Improving Teacher Quality (Title II-A) Grant Fund  
Innovative Education Program Strategies (Title V) Grant Fund  
Drug-Free School (Title IV-A) Fund  
Gate Receipts Fund  
Special Projects Fund  
Sports Complex Construction Fund

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Investments

Statutes authorize the School District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Treasurer's investment pool. All investments must be insured, registered, or held by the School District or its agent in the District's name.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the special revenue funds designated by Kansas statutes.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year end and no accounting controls exist for control of materials inventory.



Unified School District No. 462  
Burden, Kansas  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at rates established by Kansas Statutes. This interest is retained by the county.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Vacation and Sick Pay

The school district's policies do not provide for the accumulation of unused vacation days. The school district's sick leave policy allows for certified employees to accumulate ten days sick leave per year to a maximum of fifty days. Full time employees are granted one day of leave per calendar month worked. Days earned over fifty are bought by the district at the rate of \$75.00 per day. Certified personnel whose years of service in the district and age combine or a total of 75 or more are eligible upon retirement to have all remaining leave days paid at the then current certified substitute teacher rate.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Unified School District No. 462  
Burden, Kansas  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

Note 2      Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

Improving Teacher Quality (Title II-A)      \$      951

The above Improving Teacher Quality fund has federal financial assistance due in an amount sufficient to exceed the cash basis violation amount displayed on Statement 1.

The State of Kansas pays the employers share of Kansas Public Employee Retirement System (KPERS ) for each unified school district throughout the state. The Kansas legislature, by statute, created a KPERS fund in each school district's accounting system. The State of Kansas automatically deposits then withdraws the KPERS amount attributable to each school district through each school district's KPERS fund once per quarter. School district personnel have no control concerning these deposit and withdrawal transactions. As of June 30, 2010, the State of Kansas had not deposited nor withdrawn the KPERS amount attributable to Neodesha Unified School District No. 462 in the amount of \$78,872. Since the liability was due and payable and the funds had not been received as of June 30, 2010, a cash basis violation resulted and is displayed as such in statement 1 in the amount of \$ \$78,872. The State of Kansas subsequently deposited these funds in their entirety on July 7th and 8th.

Compliance with Kansas Budget Law

No violations

Compliance with Kansas Depository Security Law

No violations.

Note 3      Detail Notes on All Funds and Account Groups

A. Assets:

As of June 30, 2010, the school district held no investments.

K.S.A. 9-1401 establishes the depositories that may be used by the school district. The statute requires banks eligible to hold the school district's funds to have a main or branch bank in the school district and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The school district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 allows the school district to invest idle funds in time deposit-open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The school district has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the school district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the school district's deposits may not be returned to it. State statutes require the school district's deposits in financial institutions to be entirely covered by federal depository insurance or

Unified School District No. 462  
Burden, Kansas  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At June 30, 2010, the carrying amount of the school district's deposits was \$581,099 and the bank balance was \$938,333. Of the bank balance, \$501,480 was secured by federal depository insurance, and \$436,853 was collateralized by securities held by the pledging financial institutions' agents in the school district's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the school district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured and the school district's investment policy requires 100% collateralization at all times.

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles.

The School has waived compliance with Generally Accepted Accounting Principles until June 30, 2010, in accordance with K.S.A. 75-1120(a).

B. Liabilities:

Defined Benefit Pension Plan

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 75-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the contribution rates. The State of Kansas contributed 8.57% of covered payroll for fiscal year 2010. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all schools' employees for the years ending June 30, 2010, 2009 and 2008 were \$248,468,186, \$242,277,363 and \$220,815,154 respectively, equal to the statutory required contributions for each year.

Other Employee Benefits

District policies allow employees to accumulate personal leave. Details of the maximum potential personal leave liability to the District are displayed at Statement 6.

Unified School District No. 462  
Burden, Kansas  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district. The School District's assessed valuation at June 30, 2010 not including motor vehicle valuation was \$ 11,718,790. The resulting debt limit was \$1,640,630. The outstanding bonded indebtedness for debt limitation comparison purposes as of June 30, 2010 was \$2,915,000. Bonds issued during the 1998 fiscal year in the amount of \$4,200,000 caused the aggregate debt to exceed the legal debt limit. However, an order issued by the Kansas State Board of Education gave the School District authority to issue the series 1998 bonds in excess of the legal debt limit.

C. Operating Transfers:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	At-Risk (K-12)	K.S.A. 72-6428	\$ 182,987
General Fund	Special Education Fund	K.S.A. 72-6428	285,884
General Fund	Food Service Fund	K.S.A 72-6433	17,260
General Fund	Vocational Education Fund	K.S.A 72-6433	100,000
Supplemental General	At-Risk (K-12)	K.S.A. 72-6428	56,129
Supplemental General	Special Education Fund	K.S.A. 72-6428	100,005
Supplemental General	Professional Development Fund	K.S.A. 72-6433	3,387
Supplemental General	Vocational Education Fund	K.S.A. 72-6433	56,502

Note 4      Reconciliation of Statement 1 and 2

Total Expenditures per Statement 2	\$ 5,277,536
Plus Non Budgeted Funds:	
Textbook and Student Material Revolving	12,979
Technology Literacy Challenge Grant	2,059
Rural Education Achievement Program	44,182
Special Mini-Grants	3,203
Low Income ESEA Title I	88,528
Improving Teacher Quality Grant	28,996
Drug-Free Schools	1,312
Gate Receipts	40,344
Special Projects	<u>9,746</u>
Total Expenditures per Statement 1	<u>5,508,885</u>

Note 5      Joint Ventures

The School District is a participant in a joint venture agreement with five other school districts for the operation of the Cowley County Special Services Cooperative. The Coop was formed under an inter-local agreement provided for by the Kansas Statutes. Each unified school district appoints one of its board members to serve as a member of the Coop governing board. Each school district's annual contribution to the coop is based upon full time enrollment plus other minor adjustment factors. The school district has an unrecorded value equity interest in the Coop which is based upon percentage of contribution. Complete separate statutory basis financial statements for the Coop are available at the Cowley County Special Services Cooperative administrative office at Winfield, Kansas. The annual operations contribution to the Coop for the 2010 fiscal year by Unified School District No. 462 was in the amount of \$382,481 (\$124,676 local contribution and \$257,805 flow-through) which represents 5.63% of all contributions made by the six participating school districts.

Unified School District No. 462  
Burden, Kansas  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2010

Note 6      Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Note 7      Economic Dependency

The school district is economically dependent on state and federal financial assistance. The revenue from the state and federal governments in relation to total revenues are displayed below for the general fund, supplemental general fund, bond and interest fund and all other funds.

	Total <u>Revenue</u>	State <u>Aid</u>	<u>%</u>	Federal <u>Aid</u>	<u>%</u>
General Fund	\$2,739,472	2,414,434	88.1	134,695	4.9
Supplemental General	849,919	399,005	46.9	135,566	16.0
Bond and Interest	297,466	149,753	50.3		
Other Funds	550,979	78,832	14.3	283,606	51.5
Total All Funds	<u>4,437,836</u>	<u>3,042,024</u>	<u>68.5</u>	<u>553,867</u>	<u>12.5</u>

Note 8      Compliance with K.S.A. 10-1116a(b), K.S.A 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the School District to record any payment of General State Aid that is due to be paid during the month of June, but is not paid to the School District until after June 30, as a receipt for the fiscal year ending on June 30. The amount of this payment was \$237,570 for the General Fund and \$104,669 for the Supplemental General Fund. The total of these amounts (\$342,239) is displayed in the "Composition of Cash" on Statement 1 as "Due from State of Kansas".

Note 9      General Long Term Debt - Refunding Bond Issue

On May 1, 2006 Central Unified School District No. 462 issued \$3.29 million in General Obligation Bonds with interest rates ranging from 3.75% to 4.3% to advance refund 3,245,000 of outstanding 1998 Series bonds with interest rates ranging from 4.3% to 6.5%. A portion of the 1998 Series bonds in the amount of \$425,000 was not refunded. The net proceeds of the \$3.29 million (after issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payment on the 1998 Series bonds. As a result the refunded portion 1998 Series bonds are consider to be defeased and the liability for those bonds has been removed from the school district's long term debt.

The school district completed the advance refunding to reduce its total debt service payments over the next sixteen years by \$205,362 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$131,428.

Unified School District No. 462  
Burden, Kansas  
Schedule of Insurance Policies in Force  
February 28, 2011

<u>Name</u>	<u>Policy Number</u>	<u>Expires</u>	<u>Coverage</u>
<u>Employers Mutual Casualty Company</u>			
Property Coverage			
Buildings (90% Coins., \$1,000 ded.)		\$	11,936,834
Personal Property			2,662,441
Property in Open - Building			1,287,182
Equipment (\$1,000 ded.)	0B8-16-54-11	8-1-11	5,000
Commercial Inland Marine			
Contractors Equipment			
JD Mower			5,500
2004 Hustler			7,500
Bobcat Skid Steer			24,508
John Deere Gator			4,200
Leased Contractor Equipment			25,000
Commercial Articles			
Cameras			5,145
Musical Instruments			95,497
Electronic Data Processing			
Hardware			228,800
Software			55,000
Property Floater			
Softball pitching machine			1,500
Baseball pitching machine			2,200
Floor Scrubber			5,000
Nobles Vaccum			545
Nobles Vaccum			545
Nobles Buffer			1,615
Nobles Floor Scrubber	0C8-16-54-11	8-1-11	5,435
Commercial General Liability			
General Aggregate Limit (Other than PCO)			2,000,000
Products-Completed Operations Aggregate Limit			2,000,000
Personal and Advertising Injury Limit			1,000,000
Each Occurrence Limit			1,000,000
Fire Damage Limit (Any one fire)			100,000
Medical Expense Limit (Any one person)	0D8-16-54-11	8-1-11	5,000
Fleet Coverage			
Bodily Injury/Property Damage			1,000,000
Uninsured/Underinsured Motorists			1,000,000
Combined Single Limit Liability			5,000
Comprehensive (\$100 Ded)			ACV
Collision (\$100 Ded)	0E8-16-54-11	8-1-11	ACV
Commercial Umbrella			
Occurrence Limit			1,000,000
Aggregate Limit	0J8-16-54-11	8-1-11	1,000,000
Linebacker Liability Policy			
Each Loss			1,000,000
Aggregate for Policy Term			2,000,000
Deductible per Loss	0K8-16-54-11	8-1-11	1,000
Workers Compensation			
Bodily Injury by Accident - each accident			500,000
Bodily Injury by Disease - each employee			500,000
Bodily Injury by Disease - each policy	0H8-16-54-11	7-1-11	500,000
<u>Great American Alliance Insurance Co.</u>			
Underground Storage Tank Liability			
Per environmental incident			500,000
Annual Aggregate	AES346	8-5-11	1,000,000

Unified School District No. 462  
Burden, Kansas  
Fidelity Bonds of Officers and Employees  
June 30, 2010

Schedule 2

<u>Name</u>	<u>Bond Number</u>	<u>Expires</u>	<u>Amount</u>
<u>Western Surety Company</u>			
Shari Wham, Treasurer	69579427	9/30/2010	\$ 50,000
Marian Hedges, Superintendent			10,000
Linda Bartel, Board Clerk			10,000
Mona Culvin, Secretary	68482802	Indefinite	10,000

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

Board of Education  
Central Unified School District No. 462  
Burden, Kansas

We have audited the financial statements of Central Unified School District No. 462 as of and for the year ended June 30, 2010, and have issued our report thereon dated February 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Central Unified School District No. 462's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Unified School District No. 462's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Central Unified School District No. 462's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Central Unified School District No. 462's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body and management of Central Unified School District No. 462, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

***Schlotterbeck and Burns, L.L.C.***

February 28, 2011



**Independent Auditor's Report on Compliance with  
Requirements Applicable to Each Major Program and Internal  
Control Over Compliance in Accordance with OMB Circular A-133**

Board of Education  
Central Unified School District No. 462  
Burden, Kansas

**Compliance**

We have audited Central Unified School District No. 462's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Central Unified School District No. 462's major federal programs for the year ended June 30, 2010. Central Unified School District No. 462's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Central Unified School District No. 462's management. Our responsibility is to express an opinion on Central Unified School District No. 462's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Central Unified School District No. 462's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Central Unified School District No. 462's compliance with those requirements.

In our opinion, Central Unified School District No. 462 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

**Internal Control Over Compliance**

Management of Central Unified School District No. 462 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Central Unified School District No. 462's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Unified School District No. 462's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not

identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the governing body and management of Central Unified School District No. 462, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

*Schlotterbeck and Burns, L.L.C.*

February 28, 2011

Unified School District No. 462  
Burden, Kansas  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year ended June 30, 2010

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the statutory basis financial statement of Unified School District No. 462 .
2. No reportable conditions were disclosed during the audit of the financial statements
3. No instances of noncompliance material to the financial statements of Unified School District No. 462 were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 462 expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Unified School District No. 462 are reported.
7. The programs tested as major programs included:

84.010	ESEA Low Income (Title I)
84.394	State Fiscal Stabilization Fund
84.389	Title I Grants to LEAs Recovery (ARRA)
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Unified School District No. 462 was determined to be a high-risk auditee.

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

(None Reported)

**C. FEDERAL AWARD FINDINGS and QUESTIONED COSTS**

(None Reported)

Unified School District No. 462  
Burden, Kansas  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture		
Passed through Kansas State Department of Education		
School Breakfast Program	10.553	31,148
National School Lunch Program	10.555	75,453
Summer Food Service Program	10.559	3,000
Fresh Fruits and Vegetables	10.582	5,894
Total U.S. Department of Agriculture		<u>115,495</u>
U.S. Department of Education		
Passed through Kansas State Department of Education		
ESEA Title I (Low Income) Aid	84.010	65,606 (1)
Drug Free Schools Mini-Grant	84.186	1,312
Technology Literacy (Title II-D)	84.318	614
Improving Teacher Quality (Title II-A)	84.367	28,996
Other Mini-Grants	84.372	1,300
Technology Literacy (Title II-D) - ARRA	84.386	1,445
Title I Grants to Local Educational Agencies (LEAs), Recovery A	84.389	22,922 (1)
State Fiscal Stabilization Fund	84.394	270,261 (1)
Total Passed through KSDE		<u>392,456</u>
Direct from U.S. Department of Education		
Rural Education Achievement Program	84.358	44,182
Total U.S. Department of Education		<u>436,638</u>
Total Expenditures of Federal Awards		<u><u>552,133</u></u>

(1) These programs were considered major programs.

(2) The School District follows the statutory basis of accounting in preparing this schedule.

This method is consistent with the method used in the preparation of the School District's financial statements.